

CITY AND COUNTY LEGISLATIVE UPDATE

January 26, 2015



CITY AND COUNTY LEGISLATIVE AGENDA

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CITY AND COUNTY LEGISLATIVE AGENDA

- **State Budget Outlook**
 - Overview
 - City Impacts
 - K-12, Universities and Community College Impacts
 - County Impacts
- **City Legislative Priorities**
- **County Legislative Priorities**
- **Discussion about Coordination**

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FY 2016 County Budget Impacts

Governor Ducey's Fiscal Year 2016 Budget Includes:

- \$550,000 for Coconino County in County Lottery Funds
- Continues to requires counties to pay 100 percent of Restoration to Competency Costs

FY 2016 County Budget Impacts

- \$15 million in general fund savings by adding admission eligibility requirements for housing at the Department of Juvenile Corrections (DJC) facilities
- Requires counties to pay for 25 percent of the average cost of a youth being housed by DJC from that county
 - Cost to Coconino County estimated at approx. \$553,314 per year

FY 2016 County Budget Impacts

- \$14.1 million in DOR funding will be paid by local governments
- Payment for DOR's processing of local jurisdiction collections
- Payment proportional to the amount of revenue collected for jurisdiction
- Coconino County's payment estimated at approx. \$161,491

City of Flagstaff

2015 Legislative Agenda

*Joint Meeting of the City Council of Flagstaff
and Coconino County Board of Supervisors
January 27, 2015*





Guiding Principles

■ Local Control

- ❖ Protect local revenues and local authority

■ Council Goals

- ❖ Established during the December Council Retreat

■ Cultivating Partnerships

- ❖ Support regional, state and federal partnerships that may advance applicable legislation in support of City goals and community values.

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■ **STATE SHARED REVENUES:**

Protect state shared revenue to municipalities as a revenue percentage and a revenue source.

■ **HURF FUNDING LEVELS INCREASE:**

League Resolution to restore HURF (Highway User Revenue Funds) dollars and actions that restore 2008 levels of funding as well as allocate new dollars to transportation.



■ PENSION REFORM:

Active in efforts supporting pension reforms to obtain greater flexibility in pension plans management.

This includes obtaining more control of determining part-time class.

■ ENERGY DISTRICTS:

- ✓ Enabling legislation for ‘sustainable Energy Districts’
- ✓ Provides flexible financing authority for Commercial entities
- ✓ Finance mechanisms for upfront investment in energy efficiency improvements.

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■ FOREST HEALTH:

- Support state efforts to reduce forest fire dangers in the region
- Encourage state investment opportunities or matching funds to treat areas in and around residential areas

■ PROCUREMENT LAW CHANGE:

- Seek changes that allow sales tax paid to be considered in the total bid price when considering the “lowest, responsible bidder”



■ **RESTORATION OF THE HOUSING TRUST FUND:**

- ✓ Remove the \$2.5m cap and fully fund Trust through unclaimed property proceeds which have exceeded \$25m in past.

■ **SUPPORT ECONOMIC DEVELOPMENT TOOLS:**

- ✓ Support legislation that grows manufacturing in rural areas of the state
- ✓ Support for efforts to encourage more use of the state by the film industry.



GOVERNOR & STATE AGENCIES

- **WATER:** Secure easement rights for required water transmission line located within Interstate 40 right-of-way or other Council-approved route.
- **VETERANS AFFAIRS:** Seek funding in the Governor's Budget for the establishment of a VA Home in Flagstaff as financial support needed from the State as matching funds to the federal allocation for the home.



Federal

- **PUBLIC SAFETY:** Support President's \$263m. pledge to equip all police officers with body cameras
- **RIO DE FLAG FLOOD CONTROL PROJECT:**
Complete the Limited Re-evaluation Report and obtain necessary approvals from the Assistant Secretary of the Army so as to be included in any USACE work plan or report to Congress as an authorized project.



Federal

- **FOREST HEALTH:** Leverage voter approved FWPP (Flagstaff Watershed Protection Project) bonds for forest restoration with federal dollars to maximize acreage to be treated and ensure that resources and funding continue to flow to important regional projects such as the federal pilot program known as 4FRI (Four Forest Restoration Initiative) and NAU's ERI (Ecological Restoration Institute).

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Federal

■ **FAA (Airport):**

- **Resurface & Restripe Runway; continue funding request of \$3.3m**
- **Construct multi-level parking structure to increase capacity at the airport; FY 2016 \$4m and FY 2017 \$4m for a total estimated project cost of \$8m.**
- **Purchase 167.89 acres of Airport land for Runway Protection Zone, Avigation Easement, Lake Mary Park land and the Water Treatment Plant; FY 2018 in the amount of \$6.7m.**



Federal

- **RAILROAD REVERSIONARY CLAUSE:** Seek relief from the Federal Government reversionary clause on property sold to the City by BNSF (Burlington Northern Santa Fe) Railroad
- **TRANSPORTATION** – Secure authorization and fiscal resources for the Regional Transportation Plan priorities including Lone Tree Interchange and the 4th Street Bridge over I-40, along with widening of Highway 180

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QUESTIONS?





Coconino County Legislative Agenda

Joanne Keene, Government Relations Director

January 26, 2014

2015 State Legislative Priorities

Restore County's Share of Highway User Revenue Funds (HURF):

- Since FY09, the State has diverted more than \$714.7 million from state, city and county roads to fund state agencies. Over \$4.1 million in Coconino County.
- Governor's FY 16 Budget includes \$30 million for FY 16, \$30 million for FY 17 (prev. \$60 mil).
- Counties support identifying and enacting revenue enhancements to support the existing HURF distribution system.

2015 State Legislative Priorities

Eliminate Payments to ASH for Sexually Violent Persons (SVPs):

- SVPs are offenders who served their time with the Arizona Dept. of Corrections, but are not yet ready to re-enter society.
- Shift to counties began in FY 10. As of June 2014 this shift has cost county taxpayers **\$20.4 million** statewide.
- Counties are currently required to pay approximately 34% of SVP Costs. The Governor's Budget reduces this amount to 31%.
- HB 2490 – sexually violent persons; reimbursement; repeal (Carter)

2015 State Legislative Priorities

Eliminate County Payments for Disproportionate Uncompensated Care (DUC Pool):

- Coconino County pays \$160,000/yr. to the State General fund.
- Began in 2000 during Prop 204 implementation and has become a resource transfer from counties to the State's general fund.
- HB 2363 – county contributions; hospitalization; medical; repeal (Thorpe)

2015 Federal Priorities

Full Funding of the Payment in Lieu of Taxes (PILT) Program:

- The PILT program was established in 1976 to help offset losses in property taxes due to the tax-exempt status of federal land.
- Counties in Arizona received a total of **\$34.5 million** of PILT funds in FY2014.
- In December, 2014 Congress included PILT funding in the appropriations package and the National Defense Authorization Act for a total funding level of \$442 million.

2015 Federal Priorities

Reauthorize Secure Rural Schools (SRS):

- In 2000, SRS was enacted to stabilize payments to counties. Payments primarily used for roads and schools.
- The Act was reauthorized for one year in 2013 (through FY2013) as part of the Helium Stewardship Act (PL 113-40), but has not been reauthorized for FY2014.
- Coconino County receives approximately \$4 million in SRS.

2015 Federal Priorities

Require Concessionaires to pay local governments when operating on Federal land:

- Currently, businesses that operate concessionaire operations on federal land are not liable to be assessed ad valorem taxes even though they receive services.
- Coconino County is requesting concessionaires provide a payment to local governments to account for the cost shifts to county taxpayers.



Questions?